DaimlerChrysler

ARB Board Meeting ZEV Technology Review May 24, 2007

Good afternoon, I am Fred Maloney from DaimlerChrysler.

The review process gives us the opportunity to consider the important objectives of the California ZEV Program.

The understanding has been that this provision of California's LEV Program is aimed at pressing the development and integration of zero emission vehicle technology into the marketplace.

To the level that technology development can be forced, the program has worked. The program has also worked to clearly define the limitations of the approach.

The work of the Expert Review Panel was deep and thorough. We at DaimlerChrysler provided the team with the information they requested in the belief that good decisions can be made from good information. From what we have read, it appears that other companies had the same approach.

The report contains a lot of information that must be digested. The report details significant advances in the basic ZEV technologies, batteries and fuel cells, but the report points out that neither is yet ready for commercialization. Our opinion on this issue is that credit for these technologies need to be increased for 2009 and later model years to encourage further investment in these technologies.

The Staff needs to be given the time to fully grasp and understand these and other findings by the Panel. We believe that the Air Resources Board should give broad discretion to the Staff to consider the implications of the report and to return to you a completely developed regulatory proposal. We would be committed to fully support discussions that would result from such direction.

Thank you. I would e pleased to answer your questions.